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## LAW OFFICES

## GOLDBERG, GODLES, WIENER & WRIGHT

1229 NINETEENTH STREET, N.W. WASHINGTON, D.C. 20036

HENRY GOLDBERG JOSEPH A. GODLES JONATHAN WIENER HENRIETTA WRIGHT DANIEL S. GOLDBERG W. KENNETH FERREE

THOMAS G. GHERARDI, P.C. MARY J. DENT COUNSEL EX PARTE OR LATE FILED

(202) 429-4900 TELECOPIER: (202) 429-4912

e-mail: general@g2w2.com

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

NOV - 6 1997

November 6, 1997

## **VIA HAND DELIVERY**

Mr. William F. Caton Acting Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Washington, D.C. 20554

Re:

Assignment of Orbital Locations to Space Stations in the Ka-band

Report No. SPB-102, DA 97-967, CC Docket No. 92-297/

Ex Parte Presentation

Dear Mr. Caton:

Loral Space & Communications Ltd., Orion Network Systems, Inc., Hughes Communications Galaxy, Inc., and PanAmSat Licensee Corp. sent a copy of the attached letter today to Thomas S. Tycz in connection with the above-referenced matter. In accordance with Section 1.1206 of the Commission's Rules, two copies of this transmittal letter and the letter to Mr. Tycz are hereby submitted to the Office of the Secretary for inclusion in the public record.

If there are any questions in this regard, please contact the undersigned.

Sincerely,

Daniel S. Goldberg

Attorney for PanAmSat Licensee Corp.

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November 6, 1997

Mr. Thomas S. Tycz Chief, Satellite and Radiocommunication Division International Bureau Federal Communications Commission 2000 M Street, N.W. Washington, D.C. 20554

Re: Report No. SPB-102

Dear Mr. Tycz:

The undersigned companies hereby respond to the letter submitted by CAI Data Systems, Inc. ("CAI") on November 4, 1997, in the above-referenced matter. On October 27, 1997, the undersigned companies submitted for the Commission's approval a proposed agreement with respect to the reassignment of certain orbital locations in the first Ka-band processing round ("Proposed Reassignment Agreement"). Lockheed Martin Corporation filed a separate letter with the Commission on October 31, 1997, supporting this proposed agreement and urging the Commission to quickly resolve all outstanding first round reassignment requests, including Lockheed Martin's request for assignment of 2° E.L.

CAI has raised two objections with respect to the Proposed Reassignment Agreement. First, CAI maintains that the Proposed Reassignment Agreement must be rejected because it is untimely. Second, CAI asserts that approval of the Proposed Reassignment Agreement would result in an excessive concentration of orbital resources. As discussed below, both objections are wholly without merit.

The undersigned parties did precisely what the Commission directed them to do in the <u>Order</u> setting forth the first round orbital assignment plan: they submitted requests for alternative orbital locations within thirty days of the release of the <u>Order</u> and — through good faith negotiations and in the same spirit of cooperation that marked their efforts throughout the first Ka-band processing round — resolved their differences when it became evident that conflicts existed as to certain orbital locations.<sup>1</sup> Plainly, the undersigned companies could not have been aware of conflicting reassignment requests until such requests actually were filed with the Commission. As such, CAI's position that conflicts had to be resolved prior to the thirty day deadline defies common sense and must be rejected.

Equally untenable is CAI's suggestion that Commission approval of the Proposed Reassignment Agreement would result in an excessive concentration of orbital locations. Importantly, approval of the proposed agreement does not result

<sup>&</sup>lt;sup>1</sup> In the Matter of Assignment of Orbital Locations to Space Stations in the Ka-band, Order, DA 97-967 (released May 9, 1997), at ¶ 6.

Mr. Thomas S. Tycz November 6, 1997 Page 2

in assignment of a single <u>additional</u> orbital location. The undersigned companies are simply <u>exchanging</u> one orbital assignment for another. In any event, CAI's implicit assumption that any one of the undersigned companies could gain unfair market power in the provision of Ka-band services is without merit. The Commission licensed twelve entities in the first Ka-band processing round and will license still more in the second processing round. Additionally, a multitude of non-U.S. entities have ambitious plans to provide Ka-band services and have sought to reserve the orbital resources necessary to bring those plans to fruition.

Behind CAI's attempts to derail the negotiated resolution of the first Ka-band processing round is a simple truth: CAI, by its own choice, failed to participate in the first Ka-band processing round and is now seeking to cure this failure by injecting itself into the first round reassignment request process. The Commission must not countenance such behavior. There are a large number of orbital locations — including Region A locations — that remain available for assignment in the second Ka-band processing round. CAI can participate in that round with all other timely filed second round applicants.

The Proposed Reassignment Agreement is fully consistent with both the Commission's directive to the first round licensees in the <u>Order</u> and the spirit of good faith compromise that characterized the negotiated resolution of the first Kaband processing round. For this reason, the Commission quickly should approve the proposed agreement and allow the second Ka-band processing round to move forward.

Loral Space & Communications Ltd.

bv:

Philip L. Verveer
Andrew R. D'Uva
Willkie Farr & Gallagher
Three Lafayette Centre
1155 21st Street, N.W., Suite 600
Washington, D.C. 20036

Hughes Communications Galaxy, Inc.

by

John P. Janka
John P. Janka
Latham & Watkins
1001 Pennsylvania Ave. N.W.
Suite 1300
Washington, D.C. 20004-2505

Orion Network Systems, Inc.

Thomas J. Keller

Julian L. Shepard

Verner Lipfert Bernhard McPherson & Hand, Chartered

901 15th Street, N.W., Suite 700 Washington, D.C. 20005-2301

PanAmSat Licensee Corp.

hu:

Daniel S. Goldberg

Goldberg Godles Wiener & Whi

1229 19th Street, N.W. Washington, D.C. 20036

## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing letter addressed to Thomas S. Tcyz, Chief, Satellite and Radiocommunication Division, International Bureau, Federal Communications Commission was sent by hand and first-class mail, postage prepaid, this 6th day of November, 1997, to each of the following:

Jennifer M. Gilsenan\*
International Bureau
Federal Communications Commission
2000 M Street, NW, Room 800
Washington, DC 20554

Pantelis Michalopoulos Counsel to Comm, Inc. Steptoe & Johnson 1330 Connecticut Ave., NW Washington, DC 20036

David G. O'Neil Counsel to Ka-Star Satellite Communications Corp. Rini Coran & Lancellotta, P.A. 1350 Connecticut Ave., NW, Suite 900 Washington, DC 20036

Raymond G. Bender, Jr. Counsel to Lockheed Martin Corporation Dow, Lohnes & Albertson, P.L.L.C. 1200 New Hampshire Ave., NW, Suite 800 Washington, DC 20036

Francis L. Young Counsel to Morning Star Satellite Company, L.L.C. Young & Jatlow 2300 N Street, NW, Suite 600 Washington, DC 20037

Albert Shuldiner Counsel to NetSat 28 Company, L.L.C. Vinson & Elkins 1455 Pennsylvania Ave., NW Washington, DC 20004 David Moskowitz Vice President and Legal Counsel EchoStar Satellite Corporation 90 Inverness Circle East Englewood, CO 80112

Karis A. Hastings Counsel to GE American Communications, Inc. Hogan & Hartson, L.L.P. 555 13th Street, NW Washington, DC 20004

Christopher D. Imlay Counsel for Norris Satellite Communications, Inc. Booth Freret Imlay & Tepper, P.C. 1233 20th Street, NW, Suite 204 Washington, DC 20036

Michael R. Gardner Counsel to VisionStar, Inc. Law Offices of Michael Gardner, PC 1150 Connecticut Ave., NW, Suite 710 Washington, DC 20036

Eugene T. Smith Counsel for Norris Satellite Communications, Inc. Law Offices of Eugene T. Smith 715 G Street, SE Washington, DC 20003

James U. Troup Aimee M. Cook Counsel to CAI Data Systems, Inc. Arter & Hadden 1801 K Street, NW., Suite 400K Washington, DC 20006

> /s/Hema Patel Hema PotU Hema Patel